

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF GAS COST ADJUSTMENT)	
FILING OF WESTERN LEWIS-)	CASE NO. 92-331-N
RECTORVILLE WATER AND GAS DISTRICT)	

O R D E R

On May 12, 1993, in Case No. 92-331, the Commission approved adjustments to the rates of Western Lewis-Rectorville Water and Gas District ("Western Lewis") to recover its purchased gas cost on a quarterly basis in accordance with the provisions of its gas cost adjustment ("GCA") clause.

On September 3, 1996, Western Lewis filed its GCA to be effective from October 1, 1996 to January 1, 1997.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Western Lewis's notice proposed revised rates to pass on its expected wholesale increase in gas costs to its customers. Western Lewis's expected gas cost ("EGC") is \$4.1644 per Mcf.
2. Western Lewis's notice set out no refund adjustment.
3. Western Lewis's proposed current actual adjustment ("AA") is 32.21 cents per Mcf. Correcting Western Lewis' s filing to properly reflect net over-recoveries of April, May, and June 1996 gas cost from its customers results in a current AA of (31.34) cents per Mcf. The total AA of (9.11) cents per Mcf reflects the current over-recovery, as well as previous

quarters' under- and over-recovery. Western Lewis neglected to correctly include the second previous quarter AA of (34.74) cents in its calculation of the total AA.

4. Western Lewis's notice set out a current balance adjustment ("BA") of (.05) cent per Mcf to reconcile a previous quarter AA. The current BA should be .05 cent per Mcf. The total BA is 6.35 cents per Mcf.

5. These combined adjustments produce a corrected gas cost recovery rate ("GCR") of \$4.1368 per Mcf, 33.68 cents per Mcf less than its prior rate.

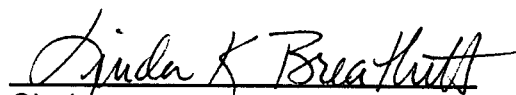
6. The revised rates in the Appendix to this Order are fair, just, and reasonable, in the public interest, and should be approved for service rendered on and after October 3, 1996.

IT IS THEREFORE ORDERED that:

1. Western Lewis's proposed rates be and they hereby are denied.
2. The rates in the Appendix to this Order are fair, just, and reasonable, and are effective for service rendered on and after October 3, 1996.
3. Within 30 days of the date of this Order, Western Lewis shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 3rd day of October, 1996.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

ATTEST:


Executive Director


Commissioner

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 92-331-N DATED OCTOBER 3, 1996

The following rates and charges are prescribed for the customers served by Western Lewis-Rectorville Water and Gas District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RETAIL RATES:

Customer Charge	\$1.00 per month		
<u>Monthly Usage</u>			
	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
First 1,000 cu. ft. or less (Minimum Bill)	\$3.9883	\$4.1368	\$8.1251
Next 4,000 cu. ft. per 1,000 cu. ft.	1.4565	4.1368	5.5933
Next 5,000 cu. ft. per 1,000 cu. ft.	1.3970	4.1368	5.5338
Over 10,000 cu. ft. per 1,000 cu. ft.	1.2228	4.1368	5.3596